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FM AMEMBASSY NEW DELHI
TO RUEHC/SECSTATE WASHDC 9172
INFO RUEHCG/AMCONSUL CHENNAI 5489
RUEHBI/AMCONSUL MUMBAI 4509
RUEHCI/AMCONSUL KOLKATA 4705
RUEHNEH/AMCONSUL HYDERABAD 1273
RUEAIIA/CIA WASHINGTON DC
RHMCSUU/FBI WASHINGTON DC
RUETIAA/DIRNSA FT GEORGE G MEADE MD
RUCPDOG/USDOC WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC

UNCLAS SECTION 01 OF 02 NEW DELHI 000086

SENSITIVE
SIPDIS

DEPT FOR PM/DTCC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [IN](#)
SUBJECT: BLUE LANTERN LEVEL 3: POST-SHIPMENT END-USE CHECK ON
LICENSE 05-1005761

REF: STATE 123440

¶1. (SBU) Officers from Consulate General Chennai received written confirmation from the GOI's Aeronautical Defense Establishment (ADE) that the four (4) "Rate Integrating Gyros" are located at ADE's facility at New Thippasandra, Bangalore. Officers were unable to visit this location in person due to resource constraints. (Bangalore is 500 km from Chennai.)

¶2. (SBU) Dr. G. Sivasankaran, who provided the written confirmation, is Project Director for the Nishant Project Group, and said that he is aware of the ITAR restrictions related to these items. He also provided a copy of the receipt of these items, which shows that delivery occurred on April 2, 2007. Dr. Sivasankaran also relayed that the precise use of these items is for integration in a Gimballed Platform, which is part of an experimental Electro Optic payload for an Unmanned Aerial Vehicle (UAV). Each Gimballed platform, assembled by the Tata Power Company, contains two (2) Rate Integrating Gyros. ADE received two (2) Gimballed Platforms from the Tata Power Company.

¶3. (SBU) Officers have not seen where the gyros are located and cannot provide a first-hand description of the facilities where they are stored. Dr. Sivasankaran informed in writing that he is familiar with the Tata Power Company, that they are a vendor of "good repute," and that he believes they are aware of the security procedures related to the handling of United States Munitions List (USML) items, including the prohibition against unauthorized re-transfer and re-export.

Bona Fides of Tata Power Company

¶4. (U) The Tata Power Company was founded as the Tata Hydro Electric Power Supply Company in 1911, and in 1915 it commissioned the first major hydroelectric project in India. Managing Director Prasad Menon heads the company. Menon, a graduate of IIT, Kharagpur, was appointed Managing Director in 2006, when he moved from Tata Chemicals, where he held the same position. Menon spent 20 years with Imperial Chemical Industries (ICI) before joining Tata, where he sits on the Board of Tata Industries, Inc. Tata Power Company is part of the Tata family's large collection of enterprises, which range from tea to automobiles.

¶5. (U) The Tata Power Company is India's largest private energy utility company with an installed power generation capacity of between 2,300 and 2,900 megawatts. Tata Power provides generation, transmission and distribution to the Indian states of Maharashtra, Jharkhand and Karnataka, as well as in the Capital District of

Delhi. The company is a major supplier of electricity to the Mumbai metropolitan area, and its production capacity includes the Thermal Power Station in Trombay, as well as hydro-electric facilities in Bira, Bhivpuri and Khopoli. It operates a joint venture with the state government of Delhi, North Delhi Power Limited, which supplies power to over 800,000 consumers. The company's other major customers include railways, the Mumbai port, the Bhaba Atomic Research Centre, municipal corporation pumping stations, and clients in the textile, refining and fertilizer industries. The company is headquartered in Mumbai and is a member of the Tata Group of companies.

16. (U) Tata Power has been involved with the production and supply of defense systems to the Indian Ministry of Defense and the Indian armed forces since the early 1970s through its Strategic Electronics Division (SED). In 2006 the GOI awarded the SED strategic defense licenses to produce defense systems in seven key areas:

- Electronic Warfare Systems.
- Network-Centric Warfare Enablers.
- Avionics, airborne assemblies and systems, including those for UAVs and UVs for uses including defense and civilian space systems and subsystems.
- Air, Naval, and ground-based defense weapons systems.
- Air, Naval, and ground-based command and control systems.
- Military grade products such as computers, work stations, printers, consoles, and biometric systems.
- Weapon systems with "air and naval applications," such as rocket launchers and other weapons delivery systems.

17. (U) This response was drafted by Consulate General Chennai and
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coordinated with Embassy New Delhi and Consulate General Mumbai.

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